

GOVERNMENT OF THE VIRGIN ISLANDS
OF THE UNITED STATES

PUBLIC SERVICES COMMISSION

IN THE MATTER OF THE VIRGIN ISLANDS) VOLUME III of III
WATER AND POWER AUTHORITY PETITION)
FOR ELECTRIC SYSTEM RATE RELIEF) PSC DOCKET No. 678

EVIDENTIARY HEARING

Before: KYE WALKER, ESQ., Hearing Examiner

Date: Tuesday, October 24, 2019

Location: Public Services Commission
Barbel Plaza
St. Thomas, Virgin Islands

Time: 9:22 a.m.- 10:00 a.m.

REPORTED BY:

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I-N-D-E-XJAMSHED MADAN

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Redirect examination by Mr. Sprehn

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LAWRENCE KUPFER - REBUTTAL

Direct Examination by Mr. Hall

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Cross Examination by Mr. Sprehn

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E-X-H-I-B-I-T-S**Exhibit****Description****Page****Line**

EE

E-mail Chain

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P R O C E E D I N G S

* * *

HEARING EXAMINER: We're back on the
record.

MR. HALL: Yes. I yield the witness.

REDIRECT-EXAMINATION**BY MR. SPREHN:**

MR. SPREHN: Mr. Madan, in your
experience in regulatory proceedings, who bears
the burden of proof in establishing prudence?

MR. MADAN: It is the petitioner, the
utility.

MR. SPREHN: No further questions.

LAWRENCE KUPFER,

was recalled as a witness,

testified follows:

REBUTTAL - DIRECT EXAMINATION**BY MR. HALL:**

MR. HALL: Mr. Kupfer, are you still
there?

MR. KUPFER: I am.

HEARING EXAMINER: Have you heard the
testimony of Mr. Madan?

MR. MADAN: Yes, I have.

MR. HALL: Is there anything you would

1 like to say in response?

2 MR. KUPFER: Was that to the last
3 question or to -- you asked a question, but I
4 didn't hear an answer.

5 HEARING EXAMINER: The question is the
6 WAPA bears the burden of establishing prudence.

7 MR. KUPFER: And I guess my first
8 comment to that, I would like to know what sort
9 of construction contract experience Mr. Madan
10 has before I go on, but put that aside, yeah,
11 I've got some comments on Mr. Madan's testimony.
12 First, he spent a lot of time yesterday, I
13 mentioned it again this morning, that somehow
14 this petition we submitted showing the
15 \$30.4 million deficit was related to the Vitol
16 default notice, which was received on July 9.
17 We have ready to submit into the record e-mails
18 that show -- we had been working on the revised
19 petition as early as late May. We submitted our
20 original petition, which shows the \$55 million
21 deficit which we felt we needed to submit a
22 petition which, as Murray and Henry stated
23 yesterday, that really gave us everything we
24 think the Authority is entitled to. But as I
25 expressed yesterday, we really that, you know,

1 these rates have a significant impact on the
2 territory. So we wanted to go through that
3 petition with a fine toothcomb and look for any
4 areas we could look for savings.

5 So we have an e-mail exchange between our
6 municipal adviser, Jerome Cox, and Murray
7 Hamilton, that's dated May 30th that references
8 the sensitivities we're working on. The last page
9 of that document is -- the document itself was
10 created by Jerome Cox, again, our municipal
11 adviser, and the handwriting is Murray Hamilton's,
12 and there was further exchange as we've developed
13 those sensitivities. So the supplemental petition
14 we submitted had nothing to do with the Vitol
15 default notice. Obviously, Vitol is an important
16 vendor, and the rate case that we had submitted is
17 really to ensure that we make up for loss revenue
18 and we have expenses to cover all of our vendors,
19 including leased generator vendors, including
20 Vitol and including our debt service.

21 I would also like to spend a couple
22 minutes just talking about the history of the
23 rates we've been seeking with the PSC. So let me
24 start out by saying that when we prepared our
25 fiscal year '19 budget, we saw that we had a

1 \$45 million deficit. In reaction to that, we put
2 together an austerity budget that basically cut
3 that deficit to around \$30 million, a deficit that
4 continues to this day. In reaction to that, we
5 started preparing some surcharge type petitions,
6 the first of which was prepared in August of 2018,
7 and that petition consisted of three components.
8 The first completed related to lost sales, which,
9 again, continue to this day. The second component
10 related to the under-recovery of leased generator
11 charges, and again that's still an issue that
12 exist until today. The third issue related to, we
13 needed approval of rates related to the Community
14 Disaster Loan that we had taken out. We needed to
15 submit an additional bond test by the end of
16 November to show to FEMA or Treasury whether we
17 could issue senior bonds or whether we would have
18 to roll over the BANs that were in place.

19 Now, two parts of that petition, the loss
20 sales to the hurricanes and the leased generator
21 were put on hold until after the gubernatorial
22 election. The third part related to the CDLs that
23 were submitted to the PSC. It ultimately was not
24 acted on, but at the end of the day, it was a moot
25 point because we did not have the rates, as we do

1 not today, to support an additional bonds test.
2 So then in December, the two parts of the petition
3 related to the lost sales and the leased
4 generators were submitted to the PSC. And that
5 was a fairly long and dragged out process, and as
6 we know, we got part of what we were looking for
7 with the leased generator surcharge which was
8 three-cents a kilowatt hour. So we put that into
9 effect in July of this year.

10 And again I would like to note that
11 neither of those lost sales or the leased
12 generator, none of that involved Vitol. So we got
13 that 3-cents and, frankly, due to a decrease in
14 price that we started to see in the fourth quarter
15 of last year, we were able -- we have been able to
16 scrape by with that additional 3-cents in the
17 lower fuel prices that were currently considering.

18 So, while that petition for lease
19 generation and loss sales was being considered, we
20 submitted the overall base rate petition, which
21 the PSC had been requesting for some time, and
22 they actually made that a condition of receiving
23 the loss generator surcharge because that petition
24 needed to be submitted which, it was in May of
25 this year. And then as I stated, we immediately

1 began working internally to do everything that we
2 could to minimize the impact of the rates.

3 As was stated yesterday, we feel we're
4 entitled to that \$55 million. However, we
5 understand the impact that that would have on the
6 territory. So, again, we worked very diligently
7 to dwindle that request down to the 30.4. But I
8 take strong objection to the inference that that
9 was all in reaction to Vitol's Notice of Default.
10 That is totally inaccurate. So I don't know if
11 Boyd -- Sam, you have distributed that e-mail?
12 But we would like to put that in the record.

13 MR. HALL: Yes. I would like this be
14 marked.

15 MR. SPREHN: EE.

16 MR. HALL: EE.

17 (Deposition Exhibit No. EE was
18 marked for identification.)

19 MR. MADAN: Another point I would like
20 to make, Mr. Madan in his testimony yesterday
21 again referred to our major maintenance line
22 item in expense as if it was maintenance. We
23 made it clear on Tuesday in testimony that that
24 major maintenance line item covers the cost for
25 our leased generators and our new Wartsilas O&M

1 agreement.

2 The detailed schedules that are submitted
3 by Brad Tallis clearly show that that is for
4 leased generators and has nothing to do with
5 maintenance. So, frankly, I was shocked when it
6 was referred to maintenance again less than
7 24-hours after clarifying that situation.

8 Another surprising part of the testimony
9 related to the fact that somehow propane wasn't
10 saving us any money, but Mr. Madan went on to say
11 that it had been suggested as early as 2003 that
12 the Authority should look at propane. I don't
13 know whether that's true or not, but I think it
14 needs to be put on the record, is that with
15 HOVENSA in operation, and as long as they were
16 buying discounted fuel oil, propane would make no
17 sense. Why if you're buying fuel oil at a price
18 as I have shown is in line with propane, why would
19 you invest in infrastructure to use propane? So,
20 the Authority made the move to propane when
21 HOVENSA closed, which was the appropriate time to
22 move in that direction.

23 Another thing that there seems to be a lot
24 of back and forth on is that 87 million that has
25 been approved. There is no examination of the

1 related amounts. If you look at my Table I, which
2 was in my remarks, and I ask you to look at line
3 11, which is the Vitol infrastructure, which in
4 the last rate case there's \$29.1 million for
5 infrastructure that's based on the \$87 million
6 number, what we're currently asking for is
7 \$31.1 million. That's the \$2.1 million increase
8 that we feel we're entitled to under the existing
9 contract that's been approved by our board and a
10 contract that clearly shows there were going to be
11 adjustments in price. So, frankly, we've spent
12 the better part, it seems to me of two and a half
13 days talking about this \$2.1 million as if
14 everything centers around \$2.1 million, which is
15 not the case. Again, to me, this rate case
16 centers around lost sales because of the hurricane
17 which have reduced revenues by some \$24 million,
18 an increase in leased generator cost of around
19 \$13 million, the Vitol cost increase of 2.1, the
20 O&M increase of 3.7, which I think we have made it
21 clear in the record that that is an annual amount
22 that adjust every year, and then finally increase
23 in debt service of \$4.4 million. So, to suggest
24 that everything revolves around Vitol is just not
25 correct. So I wanted to get that onto the record.

1 MR. HALL: Thank you, Mr. Kupfer. We
2 have a copy of the audit, the final draft. Can
3 you speak to what it represents or what it
4 states?

5 MR. MADAN: Sure. So as Mr. Madan
6 mentioned in the testimony yesterday, the
7 initial audit that was completed, Vitol did not
8 provide to the auditor access to some
9 \$55 million in expenditures that were made by a
10 subcontractor. Our response to Vitol was that
11 if you look at the contract, the contract
12 clearly states that any subcontractor has to
13 abide by the same terms and conditions as the
14 seller, which is Vitol. So, the seller, Vitol,
15 is subject to audit and, therefore, the
16 subcontractor is subject to full audit. Vitol
17 agreed to that, and they made those -- some
18 \$55 million of expenditures available for audit.
19 What the Bert Smith report shows is that they
20 have determined that there were eligible
21 expenses of \$166 million, which is in excess of
22 the current contract value of \$160 million. So,
23 in our mind, the auditor confirmed that the
24 contract amount of \$160 million was spent for
25 the construction of the LPG and converted

1 facilities.

2 MR. HALL: Mr. Kupfer, do you have an
3 opinion as to whether the Vitol contract was
4 prudent at the time it was entered into by the
5 Authority?

6 MR. KUPFER: Again, I think as I've
7 shown, the Authority was facing a 45 percent
8 increase in its 2 oil cost when the refinery
9 shut down. Long-term propane is a much cheaper
10 commodity. HOVENSA and Lime Tree today are
11 consuming propane as a low cost fuel that is
12 readily available. It does not require the kind
13 of special handling that L&G does. So, yes, I
14 believe that that was a wise decision to go into
15 propane. Again, I try to separate out the
16 investment decision from a financing situation.
17 The investment decision was sound. The
18 financing at the 10-year 15 percent is too short
19 and too high, and we are making plans to address
20 that. That will be depending on receiving this
21 base rate petition approval.

22 MR. HALL: Will there be savings over
23 the life of this project, and if so, can you
24 give us an idea of what the magnitude would be?

25 MR. KUPFER: Yes. This is a long lived

1 asset. The Authority will have it for 20 to 25
2 years. And so yes, as we demonstrated
3 yesterday, the spreads in 2 oil versus propane
4 are very high because of all of the fracking and
5 other issues going on in the states that made
6 propane readily available. We've shown that
7 without propane, our LEAC would go up at
8 14-cents a kilowatt hour. That represents today
9 about \$75 million in savings of fuel. If you
10 back out the infrastructure cost of 40 million,
11 which are too high because of the 15 percent
12 interest in short-term, that still leaves some
13 35 million of savings for our customers which is
14 the 7-cents a kilowatt hour that I also referred
15 to yesterday. So, we expect, yes, those savings
16 to continue on for a very long time into the
17 future for the authority.

18 MR. HALL: Thank you. I yield the
19 witness.

20 **REBUTTAL - CROSS EXAMINATION**

21 **BY MR. SPREHN:**

22 MR. SPREHN: Mr. Kupfer, are you
23 familiar with the Virgin Islands Energy Act?

24 MR. KUPFER: I'm sorry, what?

25 MR. SPREHN: Are you familiar with the

1 Virgin Islands Energy Act?

2 MR. KUPFER: Yes.

3 MR. SPREHN: That Act requires fuel
4 diversification, does it not.

5 MR. KUPFER: I don't have it in front of
6 me. So if you could provide me a copy, I look
7 at it as more a requiring -- a renewable
8 standard over certain amount of time.

9 MR. SPREHN: Let's just address the
10 question of renewables. Has WAPA met any of the
11 requirements for renewable standards.

12 MR. KUPFER: For what year do you want
13 me to comment on?

14 MR. SPREHN: Pick one.

15 MR. KUPFER: Why don't you give me one
16 and tell me what the standard is.

17 MR. SPREHN: Right now, 30 percent.

18 MR. KUPFER: No, we are not meeting
19 30 percent. What year is that for?

20 MR. SPREHN: 2019.

21 MR. KUPFER: You're asking, or are you
22 telling?

23 MR. SPREHN: I'm telling you.

24 MR. KUPFER: No, we have not met that.

25 MR. SPREHN: Prior to -- when was the

1 Vitol contract substantially completed?

2 MR. KUPFER: I believe we said November
3 of 16th for St. Croix and January of 17th for
4 St. Thomas.

5 MR. SPREHN: Prior to 2016, was WAPA
6 still reliant on fuel oil as its energy source?

7 MR. KUPFER: Say that again.

8 MR. SPREHN: Prior to 2016 when the
9 Vitol project came online, was WAPA still
10 entirely reliant on fuel oil for its energy?

11 MR. KUPFER: Prior to what year?

12 MR. SPREHN: 2016.

13 MR. KUPFER: Well, I know we had net
14 metering customers. So, I think that answer is
15 no.

16 MR. SPREHN: Other than net metering
17 customers, was there any, I should say -- let me
18 qualify that. Did WAPA obtain more than
19 5 percent of its power from renewable sources or
20 other than fuel oil?

21 MR. KUPFER: In what year?

22 MR. SPREHN: 2016, we're still there.

23 MR. KUPFER: I doubt it, but I don't
24 have the figures in front of me.

25 MR. SPREHN: Nothing further.

1 MR. HALL: Nothing further.

2 HEARING EXAMINER: Okay, there are no
3 additional questions, Mr. Kupfer, from the
4 counsel. I have one question about the audit.
5 In the reports, this would be -- if you can take
6 a look at the auditor's statements addressed to
7 the board of directors, it has the title on the
8 page, is Independent Accountant's Report. And
9 then the third paragraph reads, Vitol did not
10 provide adequate supporting documentation for
11 infrastructure cost totaling 12,323 --
12 \$12,023,411. Vitol also did not provide a
13 signed management representation letter. Does
14 this finding have any impact on, one, your
15 petition in the base rate case or, two, your
16 negotiations with Vitol?

17 MR. KUPFER: A couple things. The
18 12 million referenced is really above the 166
19 that was confirmed. Vitol is of the opinion
20 since amounts in excess of 160 million have been
21 confirmed, there's no need to confirm additional
22 amounts because that is the \$160 million -- the
23 contract is based on \$160 million. Vitol has a
24 rep letter that they are looking at right now.
25 In fact, I just got an e-mail from them. So, we

1 expect we will get that rep letter today.

2 HEARING EXAMINER: So this doesn't
3 change your position at all with regards to this
4 base rate case or your negotiations with Vitol?

5 MR. KUPFER: No, because again the
6 infrastructure cost of 31.2 million is based on
7 the current contract amount of 160 million.

8 HEARING EXAMINER: Okay.

9 MR. KUPFER: Again, the auditor
10 confirmed 166 million. I believe that Vitol
11 could provide additional documentation.
12 However, in order to provide that, they would
13 require that we increase the contract amount
14 above 160, and I don't think that's something we
15 want to be doing. So, no, it has no impact on
16 the base rate petition.

17 HEARING EXAMINER: Okay. During the
18 testimony I think of Mr. Thomas, I'm not sure if
19 you were here for that, there was some
20 discussion about what was described as automatic
21 rate adjustments. Are you familiar with that
22 concept?

23 MR. KUPFER: Yes, I heard discussion of
24 it yesterday.

25 HEARING EXAMINER: With regards to the

1 automatic rate adjustments, Mr. Madan also
2 testified that such type of adjustments could be
3 facilitated by the PSC. With regards to your
4 anticipated, should you receive the base rate
5 increase, you're anticipating renegotiation of
6 the Vitol contract by the middle of 2020. Do
7 you have a position on whether an automatic
8 downward rate adjustment can be implemented?

9 MR. KUPFER: I think I said yesterday,
10 we have no issues with an automatic adjustment,
11 however, it should be based on something
12 actually happening.

13 One of the issues we ran into and we
14 continually run into with the LEAC is we build
15 into the LEAC things that haven't happened yet.
16 And things are slipping like our Wartsila slipped
17 a few months, the Aggreko slipped a few months.
18 That creates difficulties having, you know, rates
19 that aren't supported by what's happening in
20 reality. Nobody is happy when projects slip, but
21 these did. Yeah, we would be happy to see
22 automatic adjustments, but it has to be contingent
23 on what's supporting the rate reductions to be
24 actually in place and those final results in line
25 with what, you know, had been forecasted.

1 HEARING EXAMINER: Okay. Those are all
2 the questions I have. Any other questions from
3 counsel?

4 MR. HALL: I have none.

5 HEARING EXAMINER: Are there any other
6 witnesses?

7 MR. HALL: Yes. Just briefly want to
8 authenticate the FTP site. Akeyla, come
9 forward.

10 MR. SPREHN: I'm sorry. I was
11 sidetracked. You're calling --

12 HEARING EXAMINER: He is calling this
13 witness to authenticate the FTP site.

14 MR. SPREHN: Okay, for that limited
15 purpose? Okay.

16 MR. HALL: Right. Ms. Christian, I'm
17 gonna show you what's marked as Exhibit FF for
18 identification. Ms. Christian, do you recognize
19 --

20 MR. SPREHN: Actually this will be FF.
21 You gave us an e-mail EE.

22 MR. HALL: I had it EE as and changed it
23 on the others but not on that.

24 HEARING EXAMINER: Mine says FF.

25 MR. HALL: You recognize that?

1 MS. CHRISTIAN: Yes, I do.

2 MR. HALL: What do you recognize it to
3 be?

4 MS. CHRISTIAN: This is the index of all
5 the stuff that were placed on the FTP site and
6 in the binders provided to the PSC under
7 consultants, in addition to an index of the jump
8 drive that was provided.

9 MR. HALL: Going to hand you a jump
10 drive and ask you whether you're familiar with
11 the preparation.

12 MS. CHRISTIAN: Yes. This is just a
13 copy of everything that was placed on the FTP
14 site and on the jump drive and in the binders.

15 MR. HALL: I would like to tender that
16 and we will have another copy made for Sprehn,
17 and I would tender that for the record.

18 MR. SPREHN: I could make it simpler.
19 If you give it to me now, I will just simply
20 copy it.

21 MR. HALL: Here you go. I'll take the
22 jump drive.

23 HEARING EXAMINER: Thank you. Any other
24 witnesses?

25 MR. HALL: No other witnesses.

1 HEARING EXAMINER: So, let's discuss the
2 scheduling order moving forward. The record
3 remains open. The public has up until 5:00 p.m.
4 on October 25th to provide written testimony
5 regarding their positions on the requested base
6 rate increase. What is currently scheduled now
7 is that the stenographer, that will be Ms. Hill
8 and Ms. Setorie to deliver expedited transcripts
9 of both evidentiary and public hearings by
10 November 1st, 2019. Ms. Hill, are you able to
11 do that.

12 MS. HILL: Going to try.

13 HEARING EXAMINER: So, I will amend the
14 scheduling order. Well, is there any objection
15 to giving the stenographers some more time to
16 prepare the transcripts?

17 MR. HALL: Not from me.

18 HEARING EXAMINER: None from you,
19 Attorney Sprehn?

20 MR. SPREHN: No.

21 HEARING EXAMINER: So, November 1st was
22 a Friday. How about November 6, is that
23 sufficient?

24 MS. HILL: Yes.

25 HEARING EXAMINER: So we're going to

1 extend that deadline to November 6th. Currently
2 counsel for PSC and counsel for WAPA is
3 scheduled to submit proposed findings of fact
4 and conclusions of law on November 8th. I
5 imagine that counsel will need additional time
6 after receiving the transcripts.

7 MR. SPREHN: Yes.

8 HEARING EXAMINER: How much time do you
9 think you all need?

10 MR. HALL: Is the 8th -- can we have
11 until the Monday.

12 HEARING EXAMINER: Attorney Sprehn, are
13 you fine with following Monday November 11th.

14 MR. SPREHN: Putting on my calendar
15 right now. Receive on Tuesday, November 5th --

16 HEARING EXAMINER: Wednesday,
17 November 6th is the deadline for the
18 stenographers.

19 MR. SPREHN: I would much prefer the
20 14th, given other events on my calendar. That
21 will be Thursday the 14th.

22 HEARING EXAMINER: The PSC hearing is
23 scheduled for December 3rd. The 14th, and then
24 I believe Thanksgiving weekend begins the 21st.
25 The 14th gives me two weeks only after receiving

1 your proposed reports. Currently you have about
2 two weeks prior to receiving the transcripts and
3 then you would be requesting another week, which
4 would give you three weeks. And then it leaves
5 me with two.

6 MR. SPREHN: We have PSC meeting on the
7 12th, which makes that date difficult. The PSC
8 meeting for the 13th I have been informed now
9 has been canceled.

10 HEARING EXAMINER: Is the December 3rd
11 meeting date of PSC set in stone?

12 MR. SPREHN: Not until the notice goes
13 out.

14 MR. COLE: In accordance with the
15 attendance of commissioners, that's the date
16 that the chairman had requested. It's not set
17 in stone.

18 HEARING EXAMINER: I would like to give
19 myself until the 5th. So I would give counsel
20 until the 14th, and then my report would be
21 submitted on December 5th. Now, the record I'm
22 going to allow the record to remain open until
23 November 14th. The reason for that is a lot of
24 the matters that were testified to in the
25 evidentiary hearing involve prior orders of the

1 PSC, prior transcripts of the PSC, and as the
2 parties are preparing their separate proposed
3 findings of fact and conclusions of law, there
4 may be other matters that I can take judicial
5 notice of that may come up. So, with that, I am
6 going to leave the record open for evidence up
7 until November 14th.

8 Now, in the proposed findings of facts and
9 conclusions of law, in addition to the issues that
10 the parties would address on their own, I want the
11 following four issues to also be addressed. The
12 first one is whether WAPA can recover through
13 rates the funding associated with amendments to
14 the Vitol contract that were not previously
15 determined by the PSC to be prudent, and those are
16 just the amendments. I understand that there
17 seems to be no dispute that the original Vitol
18 contract was appropriately entered into. The
19 issue seems to be the amendments. So, that's
20 definitely one issue that I want to have
21 addressed. And if either of the parties argues
22 that WAPA cannot recover through rates, the
23 expenses associated with the amendments to the
24 Vitol contract, then what additional steps are
25 necessary to be taken to allow those amendments to

1 be considered, whether that's a separate prudency
2 proceeding, whether the hearing examiner, myself,
3 could consider whether those amendments are
4 prudent as part of my report and recommendations
5 in the current base rate case.

6 Number two, to the extent that there was
7 testimony that seem to indicate that the PSC has
8 already in some fashion denied WAPA the ability to
9 collect through rates, any of the expenses
10 associated with the amendments to the Vitol
11 contract, so with regards to that testimony, I
12 need the parties to, one, indicate whether that's
13 an accurate statement. In other words, has the
14 PSC at any time denied any request by WAPA to
15 collect through rates the expenses associated with
16 those amendments to the contract. And if so, if
17 there's an Order or something out there, or
18 testimony in a transcript or something that
19 establishes that the PSC in the past has denied
20 rates tied to the amendments to the contract, then
21 the parties would need to answer the question, or
22 that party would need to answer the question as to
23 whether the hearing examiner in this case can
24 consider that issue, that issue being whether the
25 expenses associated with the amendments can be

1 recovered through the instant request for base
2 rate relief. I anticipate that the parties would
3 address any issues concerning waivers. In order
4 words, if there was a decision by the PSC that
5 denied a request to recover rates associated with
6 the amendments to the contract, did WAPA waive its
7 ability to do so by not either moving to
8 reconsider that decision or not appealing that
9 decision.

10 Third, I think I've already addressed
11 that, can I as a hearing examiner conduct a
12 prudence analysis in my report and
13 recommendations, or is that outside the purview of
14 my scope.

15 And finally, I would like the parties to
16 address the potential and the logistics associated
17 with tying an automatic rate adjustment in the
18 form of a decrease that would be tied to the
19 renegotiation of the Vitol contract as indicated
20 by WAPA. And if so, what parameters would trigger
21 that automatic rate adjustment. For example, what
22 conditions would have to be included in the
23 renegotiation that would automatically trigger the
24 downward decrease in the base rate should the PSC
25 grant the base rate relief requested by WAPA. I

1 will memorialize all this in an order. Any
2 questions for me?

3 MR. SPREHN: Not at this time. Thank
4 you.

5 HEARING EXAMINER: Thank you, everyone.
6 So, we have completed the evidentiary hearings,
7 we've completed the public hearings, and I'll
8 issue an updated scheduling order.

9 [Hearing concluded.]

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REPORTER'S CERTIFICATE

I, Desiree D. Hill, Registered Merit Reporter, do hereby certify that the above-named meeting was taken by me by machine shorthand and represents the official transcript of said meeting; and that said transcription is true and correct.

In witness whereof, I have hereunto subscribed my hand.

Desiree D. Hill, RMR